

A regular meeting of the Michigan State Employees' Retirement System Board was held at the State Secondary Complex, General Office Building, First Floor, Conference Room A, Lansing, Michigan, on March 3, 2011. The following members, staff and observers participated:

Members Present: Robert Brackenbury, representing State Treasurer  
Douglas Drake, Retiree Member  
George Elworth, representing the Attorney General  
John Gnodtke, representing State Personnel Director  
Randall Gregg, representing Commissioner of the Office of Financial and Insurance Regulation  
Douglas Johnson, Retiree Member  
Craig Murray, representing the Deputy Auditor General

Staff Present: Phil Stoddard, Executive Secretary  
Chanda Donnan, Recording Secretary

Others Present: Frank Monticello of the Office of Attorney General; Laurie Hill, and Sara Hoppes from the Office of Retirement Services; Russ Kropschot – member, Mary Pollock from State Employee Retirees Association

### **Call to Order**

Chair Douglas Drake called the meeting to order at 1:34 p.m.

### **Approval of Agenda**

Douglas Johnson moved, George Elworth supported, to approve the agenda as presented. The motion carried unanimously.

### **Election of Officers**

Executive Secretary Phil Stoddard asked the Nominating Committee for recommendations for the Office of Chair. On behalf of the Committee, George Elworth nominated Douglas Drake for the Office of Chair. Mr. Stoddard asked if there were any further nominations from the floor. Being no further nominations, Mr. Stoddard closed the nominations and a voice vote was taken unanimously approving Douglas Drake for the Office of Chair.

Chair Douglas Drake asked the Nominating Committee for recommendations for the Office of Vice Chair. On behalf of the Committee, George Elworth nominated Craig Murray for the Office of Vice Chair. Mr. Drake asked if there were further nominations from the floor. Being no further nominations, Mr. Drake closed the nominations and a voice vote was taken unanimously approving Craig Murray for the Office of Vice Chair.

## **Approval of Minutes**

George Elworth moved, Douglas Johnson supported to approve the regular session meeting minutes of January 27, 2011, as presented. The motion carried unanimously.

## **New Pension Recipients**

Doug Johnson inquired if the monthly benefit amount stated on the report for each recipient includes supplemental payments of sick and annual leave. Staff agreed to provide clarification later in the meeting.

## **Disability Retirement Applications**

### Non-Duty Disability Retirement Applications

Douglas Johnson moved, John Gnodtke supported to approve non-duty disability applications 2 and 4, as presented in the Supplemental Information to the Agenda, 8A. The motion carried unanimously.

Following discussion, George Elworth moved, Douglas Johnson supported, to approve non-duty disability application 1 as presented in the Supplemental Information to the Agenda, 8A. The motion carried unanimously.

Following discussion, George Elworth moved, Robert Brackenbury supported to table non-duty disability application 3 pending clarification of information from staff, to be addressed later in the meeting. The motion carried unanimously.

## **Administrative Hearings**

George Elworth addressed the Board and stated he would abstain from participation in any aspect of contested case items 9A – 9D and 10A on the agenda to prevent any appearance of bias in the Board's decisions. After discussion Frank Monticello, representative of the Attorney General's Office, stated to have the record reflect that his office is in the process of reviewing the issue of Mr. Elworth's assessment of whether or not there is a problem for him to sit on this Board and to render a vote on contested case hearings; and that he would be making a recommendation to the Board in reference to Mr. Elworth's position.

### Proposal for Decision – Docket 2010-25664 SERS

During discussion of this case, Frank Monticello, representative of the Attorney General's Office, stated for the record "be sure you understand our office represents the Office of Retirement Services and our attorneys that represent ORS are zealous in their representation,

which I commend them for, and I don't always agree with them but that speaks highly of the wall that we have up between my representation of this Board and the attorneys who actually work in my division who represent ORS."

The Board considered the case materials. Following discussion, Douglas Johnson moved, Robert Brackenbury supported to table for preparation of additional background materials. The motion carried with George Elworth abstaining.

Proposal for Decision – Docket 2010-44859 SERS

The Board considered the case materials. Douglas Johnson moved, Robert Brackenbury supported that the Board adopt as its own the recommendations of the Administrative Law Judge William Bond in the Proposal for Decision dated December 15, 2010, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request for retirement benefits. The motion carried with George Elworth abstaining.

Proposal for Decision – Docket 2010-36583 SERS

The Board considered the case materials. Douglas Johnson moved, Craig Murray supported to table for further documentation. The motion carried with George Elworth abstaining.

Proposal for Decision – Docket 2010-25667 SERS

Craig Murray moved, John Gnodtke supported to deny petitioner's request to disqualify the attorney general from participating in the Board's proceedings regarding this case. The motion carried with George Elworth abstaining.

The Board considered the case materials. Douglas Johnson moved, Craig Murray supported to table due to insufficient documentation and clarity of the documentation provided. The motion carried with George Elworth abstaining.

**Unfinished Business**

Court of Appeals Remand – Docket 2007-2208 SERS

Doug Johnson moved, John Gnodtke supported to remand to State Office of Administrative Hearings and Rules for review of the administrative record and issuance of a Proposal for Decision on whether the Petitioner is totally and permanently disabled in his position as a corrections officer. The motion carried with George Elworth abstaining.

**Legislative Report**

A report was provided for the Board's information.

**Non-Duty Disability Retirement Application 3**

Douglas Johnson moved, Craig Murray supported to take non-duty disability application 3 as presented in the Supplemental Information to the Agenda, 8A, from the table for discussion. The motion carried unanimously.

Following discussion, Craig Murray moved, Douglas Johnson supported to approve non-duty disability application 3 as presented in the Supplemental Information to the Agenda, 8A, with the provision of a 1-year re-examination. The motion carried unanimously.

**Executive Secretary Comments**

Phil Stoddard provided an update to question from earlier in the meeting on the payroll list stating the monthly benefit amount is reflective of the gross based on whatever option the member chose, and does not include supplemental portion of their benefit.

**Board Comments**

No comments were received.


**Public Comments**

Mary Pollock introduced herself.

**Adjournment**

Douglas Johnson moved, George Elworth supported that the meeting be adjourned. The motion carried unanimously. The Chair adjourned the meeting at 3:20 p.m.

OFFICIAL MINUTES

  
Chair  
Executive Secretary